

AN ACT concerning local government.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 5. The Special Assessment Supplemental Bond and Procedures Act is amended by changing Sections 20, 45, and 55 and adding Section 65 as follows:

(50 ILCS 460/20)

Sec. 20. Additional costs allowed. In addition to and in excess of all costs otherwise permitted to be assessed under any special assessment law in any special assessment proceeding, the governing body may in the special assessment ordinance provide for the following additional amounts in the assessment:

(a) an additional reserve, not to exceed 10% of the amount of the bonds issued pursuant to this Act, as a reserve for the payment of interest on or principal of bonds when due in the event of nonpayment of any assessments; provided however, the interest earnings, if any, on the additional reserve shall be applied to the next installment as a partial reduction of payment due;

(b) an amount for the payment of interest upon bonds for a period not to exceed the greater of 2 years or a period ending 6 months after the estimated date of completion of the acquisition and construction of the local improvement that is the subject of the special assessment proceeding; and

(c) an amount for bond discount (the difference between the face amount of a bond and the price at which the bond is to be sold, exclusive of original issue discount) not to exceed 4% of the total cost of the improvement. The reserve provided for by clause (a) of

this Section shall be in addition to and in excess of any other reserve otherwise permitted by special assessment law including reserves for interest deficiencies. Any additional cost or reserve to be included by authority of this Section shall be expressly provided for in the special assessment ordinance and shall further be expressly stated in any engineer's estimate of cost prepared in connection with a special assessment ordinance as provided by a special assessment law.

(Source: P.A. 90-480, eff. 8-17-97.)

(50 ILCS 460/45)

Sec. 45. Bonds. In lieu of the issuance of vouchers or bonds provided by a special assessment law, Supplemental Act Assessment Bonds payable from the assessments made under a special assessment proceeding may be issued under this Section. Supplemental Act Assessment Bonds shall be issued under the following terms and provisions:

(a) They shall be payable from the assessments made under a special assessment proceeding and such other income or revenues as may lawfully be pledged to the payment of such bonds by a governmental unit.

(b) They may be issued in lieu of vouchers at any time after the date of the judicial order of final confirmation of the assessment roll and report. Special Assessment Bonds may be issued prior to the expiration of the appeal period provided for in the special assessment law and the issuer and owners of such bonds may rely on any waiver of the statutory appeal period executed by a municipality, county, or other issuer of such bonds and the owners and parties interested in land taken, damaged, or assessed therein, as conclusive evidence of the non-appealability of the final judgment or order. Parties interested in land taken, damaged, or assessed for purposes of such waiver and appeal shall include only the

owners of record, mortgagees of record, lien holders of record, and contract purchasers of any land taken, damaged, or assessed ~~on-or-after-the-time-when-interest-begins-to-run on--the--assessments--made---under---a---special---assessment proceeding.~~

(c) They may be issued in an amount not to exceed the amount of the assessments confirmed in a special assessment proceeding less the principal amount of any assessments previously paid and less the principal amount of any vouchers that may have previously been issued.

(d) They may bear interest at any rate or rates not to exceed the rate or rates permitted by the Bond Authorization Act; provided, however, that such rate or rates shall not exceed the rate or rates provided for the unpaid installments of the assessments made under the special assessment proceeding.

(e) They may pay interest upon such date or dates either annually, semi-annually, monthly, weekly, or otherwise.

(f) They may be subject to redemption with or without premium upon such terms and provisions as may be provided by the governing body, including, without limitation, terms as to the order of redemption (numerical, pro-rata, by series, or otherwise) and as to the timing thereof.

(g) They shall be negotiable instruments under Illinois law.

(h) They may be made payable either serially or at term, or any combination thereof, in such order of preference, priority, lien position, or rank (including, without limitation, numerical, pro-rata, by series, or otherwise) and otherwise have any attributes permitted to bonds under the Local Government Debt Reform Act, as the governing body may provide.

(Source: P.A. 90-480, eff. 8-17-97.)

(50 ILCS 460/55)

Sec. 55. County clerk may collect. Pursuant to the Illinois constitutional and statutory provisions relating to intergovernmental cooperation, the county clerk of any county in which property subject to a special assessment is located may, but shall not be required to, agree to mail bills for a special assessment with the regular tax bills of the county, or otherwise as may be provided by a special assessment law. If the clerk agrees to mail such bills with the regular tax bills, then the annual amount due as of January 2 shall become due instead in even installments with each tax bill made during the year in which such January 2 date occurs, thus deferring to later date in the year the obligation to pay the assessments.

In the event that the county clerk does not agree to mail such bills, or in the event that the municipality declines to request the county clerk to mail said bills, the municipality still may bill the annual amount due as of January 2 in 2 installments to become due on or about the due dates for the real estate tax bills issued by the county clerk during the year in which such January 2 date occurs, thus deferring to later dates in said year the obligation to pay the assessment installment.

In the event that the county clerk agrees to mail such bills on behalf of a municipality, the county may charge a fee for such services to be paid from the special assessment. Such fee shall be considered as a cost of making, levying, and collecting the assessment provided for in Section 9-2-139 of the Illinois Municipal Code.

(Source: P.A. 90-480, eff. 8-17-97.)

(50 ILCS 460/65 new)

Sec. 65. Rebates. If, after final settlement with the contractor for any improvements, there is any surplus

remaining, the Board of Local Improvements shall declare a surplus and rebate upon each lot, block, tract, or parcel of land assessed the pro rata proportion of that surplus. The Board of Local Improvements shall state which specific assessment installments (including interest thereon) are being reduced. If the Board of Local Improvements determines these excess amounts have been collected for making, levying, and collecting or for reserves for deficiencies, the governing body can declare a surplus and credit such amount to each lot, block, tract, or parcel of land assessed or a pro rata proportion to the next installment as a partial reduction of the payment due or, alternatively, may use such surplus to retire bonds in any manner so determined.

Section 10. The Illinois Municipal Code is amended by changing Section 9-2-9 as follows:

(65 ILCS 5/9-2-9) (from Ch. 24, par. 9-2-9)

Sec. 9-2-9. Preliminary procedure for local improvements by special assessment. All ordinances for local improvements to be paid for wholly or in part by special assessment or special taxation shall originate with the board of local improvements. Petitions for any local improvement shall be addressed to that board. The board may originate a scheme for any local improvement to be paid for by special assessment or special tax, either with or without a petition, and in either case shall adopt a resolution describing the proposed improvement. This resolution may provide that specifications for the proposed improvement be made part of the resolution by reference to specifications previously adopted by resolution by the municipality, or to specifications adopted or published by the State of Illinois or a political subdivision thereof, provided that a copy of the specifications so adopted by reference is on file in the

office of the clerk of the municipality. This resolution shall be at once transcribed into the records of the board.

The proposed local improvement may consist of the acquisition of the necessary interests in real property and the construction of any public improvement or any combination of public improvements, including, but not limited to, streets street, storm drain sewers sewer, water mains main, or sanitary sewer improvements, sidewalks, walkways, bicycle paths, landscaping, lighting improvements, signage improvements, vehicular parking improvements, any additional improvements necessary to provide access to the public improvements, and all necessary and appurtenances,--or-any combination-thereof, in a local contiguous area pursuant to a single special assessment project, provided that in assessing each lot, block, tract, and parcel of property, the commissioner so assessing shall take into consideration whether each lot, block, tract, or parcel is benefited by all or only some of the improvements combined into the single special assessment project. For purposes hereof, a local contiguous area shall be defined as an area in which all of the lots, blocks, tracts, or parcels located within the boundaries thereof will be benefited by one or more of the proposed improvements. The fact that more than one improvement is being constructed as part of a single special assessment project shall not be grounds for an objection by an assessee to the special assessment proceeding in court.

Whenever the proposed improvement requires that private or public property be taken or damaged, the resolution shall describe the property proposed to be taken or damaged for that purpose. The board, by the same resolution, shall fix a day and hour for a public hearing thereon. The hearing shall not be less than 10 days after the adoption of the resolution. The board shall also have an estimate of the cost of the improvement (omitting land to be acquired) made in

writing by the engineer of the board, (if there is an engineer, if not, then by the president) over his signature. This estimate shall be itemized to the satisfaction of the board and shall be made a part of the record of the resolution. However, such an estimate is not required in municipalities having a population of 100,000 or more when the proposed improvement consists only of taking or damaging private or public property. And in cities and villages which have adopted prior to the effective date of this Code or which after the effective date of this Code adopt the commission form of municipal government, the estimate of the cost of the improvement, (omitting land to be acquired), shall be made in writing by the public engineer if there is one, of the city or village, if not, then by the mayor or president of the city or village.

Notice of the time and place of the public hearing shall be sent by mail directed to the person who paid the general taxes for the last preceding year on each lot, block, tract, or parcel of land fronting on the proposed improvement not less than 5 days prior to the time set for the public hearing. These notices shall contain (1) the substance of the resolution adopted by the board, (2) when an estimate is required by this Division 2 the estimate of the cost of the proposed improvement, and (3) a notification that the extent, nature, kind, character, and (when an estimate is required by this article) the estimated cost of the proposed improvement may be changed by the board at the public hearing thereon. If upon the hearing the board deems the proposed improvement desirable, it shall adopt a resolution and prepare and submit an ordinance therefor. But in proceedings only for the laying, building, constructing, or renewing of any sidewalk, water service pipe, or house drain, no resolution, public hearing, or preliminary proceedings leading up to the same are necessary. In such proceedings the board may submit to

the corporate authorities an ordinance, together with its recommendation and (when an estimate is required) the estimated cost of the improvement, as made by the engineer. Such proceedings shall have the same effect as though a public hearing had been held thereon.

In the event that a local improvement is to be constructed with the assistance of any agency of the Federal government, or other governmental agency, the resolution of the board of local improvements shall set forth that fact and the estimate of cost shall set forth and indicate, in dollars and cents, the estimated amount of assistance to be so provided.

(Source: 90-480, eff. 8-17-97.)

Section 99. Effective date. This Act takes effect upon becoming law, except that Section 10 takes effect on January 1, 2004.